

## Concurrent Receipt

### VFW's Concerns:

Military retirees with 20 or more years of service qualify for retirement pay based on their dedicated service to our nation. These same veterans may also qualify for disability compensation for any injuries that were caused or aggravated by their military service. Prior to 2004, military retirees could not receive both retirement pay and disability pay because it was erroneously perceived as a duplication of benefits. In 2004, the VFW pushed Congress to implement a phase-in of full concurrent receipt for retirees who are rated 50 percent disabled or greater.

As of July 2016, there were approximately 450,000 military retirees receiving Department of Veterans Affairs (VA) disability compensation, but who were not eligible for concurrent receipt. The VFW has long argued that retired pay and VA service-connected disability compensation are fundamentally different benefits, granted for different reasons. Military retired pay is earned by 20 or more years of service in the United States Armed Forces, allowing retirees to maintain their standard of living while attempting to enter the civilian job market for the first time in the middle of their prime working years. Service-connected disability compensation is a benefit meant to supplement a veteran's lost earning potential as a result of the disabilities he or she incurred while in service.

Military retirees have the ability to purchase a Survivor Benefit Plan (SBP) to insure the military retiree's spouse has the ability to offset the loss of income from retirement pay if the military retiree dies before the spouse. If a veteran dies of a service-connected disability, the veteran's spouse qualifies for Dependent and Indemnity Compensation (DIC), which is intended to provide financial assistance for the surviving spouse who typically forgoes a career to help the disabled veteran maintain a modest quality of life. Surviving spouses who qualify for both have their SBP amount reduced by the amount provided by DIC. This offset is commonly known as the widow's tax because it reduces the limited income the surviving spouse receives when their veteran dies from service-related injuries or illnesses.

### VFW's Solutions:

- Congress must pass H.R.303 or S.66, the *Retired Pay Restoration Act*, which would enable disabled retirees to concurrently receive the retirement pay and VA disability compensation they have earned and deserve, without offset.
- Congress must pass H.R.846, *Military Surviving Spouses Equity Act*, or S. 339, *Military Widow's Tax Elimination Act of 2017*, which would honor the sacrifices of our nation's heroes by ensuring their survivors are able to maintain a modest quality of life, without having to unjustly offset their benefits.